

BASE SHELF PROSPECTUS

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

This short form prospectus has been filed under legislation in each of the provinces of Canada that permits certain information about these securities to be determined after this prospectus has become final and that permits the omission from this short form prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities.

This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States of America. See "Plan of Distribution".

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of Enbridge Management Services Inc., Suite 3000, 425 - 1st Street S.W., Calgary, Alberta, T2P 3L8 (telephone (403) 231-3900), and are also available electronically at www.sedar.com.

SHORT FORM BASE SHELF PROSPECTUS

NEW ISSUE

November 4, 2014



**ENBRIDGE INCOME FUND
Medium Term Notes
\$2,000,000,000**

Enbridge Income Fund (the "**Fund**") may from time to time offer and issue medium term notes (the "**Notes**") due not less than one year from the date of issue at prices and on terms determined at the time of issue.

The Fund may sell up to \$2,000,000,000 in aggregate offering amount of Notes (or the equivalent in foreign currencies) during the 25-month period that this short form base shelf prospectus (the "**Prospectus**"), including any amendments hereto, remains valid.

As of the date of this Prospectus, a total of \$1,615.0 million principal amount of medium term notes that have been issued are outstanding. Any Notes offered hereunder are in addition to such previously issued notes.

The specific terms of any offering of Notes, including the aggregate principal amount offered, price to the public (at par, discount or a premium), currency, date(s) of issue, delivery and maturity, if interest-bearing, the interest rate (either fixed or floating and, if floating, the manner of calculation thereof) and interest payment date(s), redemption provisions (if redeemable), proceeds to the Fund and the name of the registrar and paying agent, will be established at the time of the offering and sale of the Notes and set forth, along with any other material information not contained in this Prospectus, in a pricing supplement (a "**Pricing Supplement**") or other shelf prospectus supplement (a "**Prospectus Supplement**") which will accompany this Prospectus and any amendment hereto. The Fund may set forth in a Pricing Supplement or other Prospectus Supplement specific variable terms of the Notes which are not within the options and parameters set forth in this Prospectus. Notes will be interest-bearing or non-interest-bearing. You should read this Prospectus and any applicable Prospectus Supplement or Pricing Supplement before you invest in any Notes.

RATES ON APPLICATION

The Notes will be issued under the Indenture (as defined herein) and will be direct unsecured obligations of the Fund ranking equally and *pari passu*, except as to redemption, purchase fund, amortization fund and/or sinking fund provisions, with all other unsecured and unsubordinated indebtedness of the Fund. The Fund's payment obligations under the Notes will be unconditionally guaranteed by the following of its subsidiary entities: Enbridge Commercial Trust ("**ECT**"), Enbridge Income Partners LP ("**EIPLP**"), Enbridge Income Partners GP Inc. ("**EIPGP**") and Enbridge Income Partners Holdings Inc. ("**EIPHI**").

The Notes may be offered separately and/or together in amounts, at prices and on terms to be set forth in an accompanying Prospectus Supplement or Pricing Supplement, as applicable.

All information permitted under applicable laws to be omitted from this Prospectus will be contained in one or more Prospectus Supplements or Pricing Supplements, as applicable, which will be delivered to purchasers together with this Prospectus. Each Prospectus Supplement or Pricing Supplement, as applicable, will be incorporated by reference into this Prospectus for the purposes of securities legislation as of the date of the Prospectus Supplement or Pricing Supplement, as applicable, and only for the purposes of the distribution of the securities to which the Prospectus Supplement or Pricing Supplement, as applicable, pertains.

There is no market through which the Notes may be sold and purchasers may not be able to resell the Notes purchased under this Prospectus. This may affect the pricing of the Notes in the secondary market, the transparency and availability of trading prices, the liquidity of the Notes and the extent of issuer regulation. See “Risk Factors”.

The earnings coverage ratio of the Fund for the 12 month period ended December 31, 2013 is less than one-to-one; however, the Fund’s earnings coverage ratio for the 12 month period ended September 30, 2014 is greater than one-to-one. See “Earnings Coverage Ratios”.

In the opinion of McCarthy Tétrault LLP, as counsel to the Fund, and Dentons Canada LLP, as counsel to the Agents (as defined below), the Notes offered hereby, if issued on the date hereof, would be qualified investments under the Income Tax Act (Canada) for certain investors as referred to under the heading “Eligibility for Investment”.

The Notes will be offered severally by BMO Nesbitt Burns Inc., CIBC World Markets Inc., HSBC Securities (Canada) Inc., National Bank Financial Inc., RBC Dominion Securities Inc., Scotia Capital Inc. and TD Securities Inc. or other investment dealers selected from time to time by the Fund, acting as agents of the Fund or underwriters retained by the Fund (individually, an “Agent” and collectively, the “Agents”) in Canada, subject to confirmation by the Fund pursuant to a selling agency agreement referred to under the heading “Plan of Distribution”. The Fund will pay to each Agent through whom any Note is sold a commission, as determined in accordance with Schedule A of the Agency Agreement (as defined herein) or such other commission as the Fund and the Agent may determine from time to time but which will not exceed 0.50% of the principal amount of any Note, unless the Fund and the Agent otherwise agree. The Notes may also be purchased from time to time by any of the Agents as principal, at such prices and with such commissions as may be agreed between the Fund and any such Agents, for resale to the public at prices to be negotiated with each purchaser, which prices may vary during the distribution period and as between purchasers. Each Agent’s compensation will be increased or decreased by the amount by which the aggregate price paid for Notes by purchasers exceeds or is less than the aggregate price paid by the Agent, acting as principal, to the Fund. In connection with any offering of Notes, the Agents may over-allot or effect transactions which stabilize or maintain the market price of the Notes offered at a level above that which might otherwise prevail in the open market. See “Plan of Distribution”. The Fund may also offer the Notes directly to purchasers, pursuant to applicable statutory exemptions or discretionary exemptions, in which case no commissions will be paid to the Agents.

Under applicable securities legislation in Canada, the Fund may be considered to be a connected issuer of each of the Agents, as each are directly or indirectly wholly-owned or majority owned subsidiaries of Canadian chartered banks or financial institutions which have extended credit facilities to the Fund upon which the Fund may draw from time to time. See “Plan of Distribution”.

The offering of Notes is subject to approval of certain legal matters on behalf of the Fund by McCarthy Tétrault LLP and on behalf of the Agents by Dentons Canada LLP.

The head office and registered office of the Fund is located at 3000, 425 - 1st Street S.W., Calgary, Alberta, T2P 3L8.

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ABOUT THIS PROSPECTUS

In this Prospectus and in any Prospectus Supplement or Pricing Supplement, unless otherwise specified or the context otherwise requires, all dollar amounts are expressed in Canadian dollars. Unless otherwise indicated in the documents incorporated by reference, all financial information included and incorporated by reference in this Prospectus or included in any Prospectus Supplement or Pricing Supplement is determined using United States generally accepted accounting principles (“US GAAP”). Unless the context otherwise requires, all references in this Prospectus and any Prospectus Supplement or Pricing Supplement to “the Fund”, “we”, “us” and “our” mean Enbridge Income Fund and its subsidiaries, partnership interests and joint venture investments.

This Prospectus provides a general description of the Notes that we may offer. Each time we sell Notes under this Prospectus, we will provide you with a Prospectus Supplement or Pricing Supplement that will contain specific information about the terms of that offering. The Prospectus Supplement or Pricing Supplement may also add, update or change information contained in this Prospectus. Before investing in any Notes, you should read both this Prospectus and any applicable Prospectus Supplement or Pricing Supplement together with additional information described below under “Documents Incorporated by Reference”.

We take responsibility only for the information contained in or incorporated by reference in this Prospectus or any applicable Prospectus Supplement or Pricing Supplement. We have not authorized anyone to provide you with different or additional information. We are not making an offer of the Notes in any jurisdiction where the offer is not permitted by law. You should bear in mind that although the information contained in, or incorporated by reference in, this Prospectus is intended to be accurate as of the date on the front of such documents, such information may also be amended, supplemented or updated by the subsequent filing of additional documents deemed by law to be or otherwise incorporated by reference into this Prospectus and by any subsequently filed prospectus amendments.

In this Prospectus, unless otherwise specified or the context otherwise requires, all dollar amounts are expressed in Canadian dollars. References to “dollars” or “\$” are to lawful currency of Canada. References to “US Dollars” or “US\$” are to lawful currency of the United States of America.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents, filed with the securities commission or similar authority in each of the provinces of Canada, are specifically incorporated by reference in, and form an integral part of, this Prospectus provided that such documents are not incorporated by reference to the extent that their contents are modified or superseded by a statement contained in this Prospectus or in any other subsequently filed document that is also incorporated by reference in this Prospectus:

- (a) consolidated financial statements of the Fund for the year ended December 31, 2013 and the auditor’s report thereon;

- (b) management's discussion and analysis of financial condition and results of operations ("MD&A") of the Fund for the year ended December 31, 2013;
- (c) consolidated financial statements (unaudited) of the Fund for the three and nine month periods ended September 30, 2014;
- (d) MD&A of the Fund for the three and nine month periods ended September 30, 2014;
- (e) annual information form of the Fund for the year ended December 31, 2013 dated February 10, 2014 (the "AIF"); and
- (f) material change report of the Fund dated October 2, 2014 in respect of the Transaction (as defined herein).

Any documents of the type referred to above, any management information circulars, material change reports (except confidential material change reports), business acquisition reports and any exhibits to interim unaudited financial statements which contain updated earnings coverage calculations filed by the Fund with the various securities commissions or similar authorities in Canada after the date of this Prospectus and prior to the termination of this offering shall be deemed to be incorporated by reference into this Prospectus. These documents are available through the internet on the System for Electronic Document Analysis and Retrieval (SEDAR) which can be accessed at www.sedar.com.

Upon a new annual information form and the related annual financial statements and MD&A being filed by the Fund with and, where required, accepted by the applicable securities regulatory authorities during the term of this Prospectus, the previous annual information form, the previous annual financial statements, all interim financial statements and accompanying MD&A, material change reports and business acquisition reports filed by the Fund prior to the commencement of the financial year of the Fund in respect of which the new annual information form is filed shall be deemed no longer to be incorporated into this Prospectus for purposes of future offers and sales of the Notes hereunder. Upon interim financial statements and the accompanying MD&A being filed by the Fund with the applicable securities regulatory authorities during the term of this Prospectus, all interim financial statements and the accompanying MD&A filed prior to the new interim financial statements shall be deemed no longer to be incorporated into this Prospectus for purposes of future offers and sales of Notes hereunder and upon any new management information circular relating to an annual meeting of unitholders of the Fund being filed by the Fund with the applicable securities regulatory authorities during the term of this Prospectus, any management information circular for a preceding annual meeting of unitholders shall be deemed no longer to be incorporated by reference into this Prospectus for purposes of future offers and sales of Notes hereunder.

Any "template version" of any "marketing materials" (as such terms are defined in National Instrument 41-101 – *General Prospectus Requirements*) filed by the Fund after the date of a Pricing Supplement or Prospectus Supplement and before the termination of the distribution of Notes offered pursuant to such Pricing Supplement or Prospectus Supplement (together with this Prospectus) will be deemed to be incorporated by reference into such Pricing Supplement or Prospectus Supplement for the purposes of the distribution of Notes to which the Pricing Supplement or Prospectus Supplement pertains.

Any statement contained in this Prospectus or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded, for purposes of this Prospectus, to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document which it modifies or supersedes. The making of such a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute part of this Prospectus.

A Prospectus Supplement or Pricing Supplement, as applicable, containing the specific terms of an offering of the Notes will be delivered to purchasers of such securities together with this Prospectus and will be deemed to be incorporated by reference into this Prospectus as of the date of such supplement solely for the purposes of the offering of the Notes offered thereunder.

Updated earnings coverage ratios will be filed quarterly with the applicable securities regulatory authorities, either as exhibits to the Fund's unaudited interim and audited annual financial statements or as Prospectus Supplements and will be deemed to be incorporated by reference into this Prospectus for the purposes of the offering of the Notes.

FORWARD-LOOKING STATEMENTS

Forward-looking information, or forward-looking statements, have been included in this Prospectus and documents incorporated by reference in this Prospectus to provide readers with information about the Fund and its subsidiaries and operating investments, including management's assessment of the Fund's and its subsidiaries' and operating investments' future plans and operations. This information may not be appropriate for other purposes. Forward-looking statements are typically identified by words such as "anticipate", "expect", "project", "estimate", "forecast", "plan", "intend", "target", "believe" and similar words suggesting future outcomes or statements regarding an outlook. In particular, forward-looking statements included or incorporated by reference in this document include, but are not limited to, statements with respect to:

- expectations regarding the Transaction, including the satisfaction of conditions and approvals required to complete the Transaction and the effect, results and perceived benefits of the Transaction;
- expected outcomes or results assuming completion of the Transaction;
- expected costs related to projects under construction;
- expected scope and in-service dates for projects under construction;
- expected timing and amount of recovery of capital costs of assets;
- expected capital expenditures;
- expected future levels of demand for the Fund's services;
- expected future earnings and cash flows;
- expected future actions of regulators;
- expected future distributions and the taxability thereof; and
- expected cash available for distribution.

Although the Fund believes that these forward-looking statements are reasonable based on the information available on the date such statements are made and processes used to prepare the information, such statements are not guarantees of future performance and readers are cautioned against placing undue reliance on forward-looking statements. By their nature, these statements involve a variety of assumptions, known and unknown risks and uncertainties and other factors, which may cause actual results, levels of activity and achievements to differ materially from those expressed or implied by such statements. Material assumptions include assumptions about: the expected supply and demand for crude oil, natural gas, natural gas liquids and green energy; prices of crude oil, natural gas, natural gas liquids and green energy; wind and solar resources; expected exchange rates; inflation; interest rates; the availability and price of labour and pipeline construction materials; operational reliability; customer project approvals; maintenance of support and regulatory approval for the Fund's projects and the Transaction; anticipated in-service dates and weather. Assumptions regarding the expected supply and demand of crude oil, natural gas, natural gas liquids and green energy, and the prices of these commodities, are material to and underlie all forward-looking statements. These factors are relevant to all forward-looking statements as they may impact current and future levels of demand for the Fund's services. Similarly, exchange rates, inflation and interest rates impact the economies and business environments in which the Fund operates, may impact levels of demand for the Fund's services and cost of inputs, and are therefore inherent in all forward-looking statements. Due to the interdependencies and correlation of these macroeconomic factors, the impact of any one assumption on a forward-looking statement cannot be determined with certainty, particularly with respect to expected earnings and associated per unit amounts, or estimated future distributions. The most relevant assumptions associated with forward-looking statements on projects under construction, including estimated in-service dates, and expected capital expenditures include: the availability and price of labour and pipeline construction materials; the effects of inflation on labour and material costs; the effects of interest rates on borrowing costs; and the impact of weather and customer and regulatory approvals on construction schedules.

The Fund's forward-looking statements are subject to risks and uncertainties pertaining to operating performance, regulatory parameters and approvals, project approval and support, weather, economic and competitive conditions, changes in tax law and tax rate increases, exchange rates, interest rates, commodity prices and supply and demand for commodities, including but not limited to those risks and uncertainties discussed in this Prospectus and in the Fund's other filings with Canadian securities regulators. The impact of any one risk, uncertainty or factor on a particular forward-looking statement is not determinable with certainty as these are interdependent and the Fund's future course of action depends on management's assessment of all information available at the relevant time. Except to the extent required by law, the Fund assumes no obligation to publicly update or revise any forward-looking statements made in this Prospectus or otherwise, whether as a result of new information, future events or otherwise. All subsequent forward-looking statements, whether written or oral,

attributable to the Fund or persons acting on the Fund's behalf, are expressly qualified in their entirety by these cautionary statements.

THE FUND

The Fund is an unincorporated open-ended trust established under the laws of the Province of Alberta by a trust indenture dated May 22, 2003, as most recently amended and restated on December 17, 2010 (the "**Fund Trust Indenture**"). The Fund is a limited purpose trust and its activities are restricted to acquiring, investing in, holding, transferring, disposing of and otherwise dealing with debt or equity securities of ECT and other corporations, partnerships, trusts or other persons involved in energy infrastructure. The Fund currently holds subsidiaries and investments that conduct business through the following: Alliance Canada, which holds a 50% interest in the Canadian portion of the Alliance natural gas pipeline system; Liquids Transportation and Storage, which owns and operates crude oil and liquids pipeline systems and storage facilities in Western Canada; and Green Power, which includes businesses that produce electricity from renewable and alternative energy sources, including wind power, solar power and waste heat from gas pipeline compressor stations.

CST Trust Company is the trustee of the Fund. Enbridge Management Services Inc., a wholly-owned subsidiary of Enbridge Inc. ("**Enbridge**"), is the administrator of the Fund (the "**Administrator**").

The head office and principal business office of the Fund is located at 3000, 425 - 1st Street S.W., Calgary, Alberta, T2P 3L8.

RECENT DEVELOPMENTS

On September 22, 2014, the Fund and Enbridge Income Fund Holdings Inc. ("**EIFH**") jointly announced that indirect wholly-owned subsidiaries of the Fund had entered into agreements with indirect wholly-owned subsidiaries of Enbridge to acquire an undivided 50% interest in the United States segment of the Alliance System (as defined in Schedule A hereto) and to subscribe for and purchase SL Canada Class A Units (as defined herein) and SL US Class A Units (as defined herein), which will provide a defined cash flow stream from the Southern Lights Pipeline (collectively, the "**Assets**"), for an aggregate purchase price of \$1.76 billion (together with the transactions and steps related thereto, the "**Transaction**").

Pursuant to a purchase and sale agreement dated as of September 22, 2014 among Enbridge (U.S.) Inc. ("**EUSI**"), IPL AP Holdings (U.S.A.) Inc. ("**IPL USA**") and EIF US Holdings Inc. ("**EIF US**") (the "**Alliance US PSA**"), EIF US agreed to acquire all of the interests held by EUSI and IPL USA in Alliance Pipeline Inc. ("**API**") and Alliance Pipeline L.P. ("**APLP**"), respectively, the sole asset of which is the United States segment of the Alliance System (together with all other assets owned, held, used or held for use by API and APLP in connection with the operation thereof, "**Alliance US**"), for an aggregate purchase price of \$835 million.

Pursuant to a Class A Unit Purchase Agreement dated as of September 22, 2014 among Enbridge Energy Company, Inc. ("**EECI**"), Southern Lights Holdings, L.L.C. ("**SL US**") and EIF US (the "**SL US Purchase Agreement**"), EIF US agreed to subscribe for and purchase an aggregate of 620,000 Class A Units of SL US ("**SL US Class A Units**") for the sum of \$682 million. EECI will own all of the issued and outstanding Class B Units of SL US ("**SL US Class B Units**").

Pursuant to a Class A Unit Subscription Agreement dated as of September 22, 2014 among Enbridge Southern Lights GP Inc., Enbridge SL Holdings LP ("**SL Canada**") and EIPHI (collectively with the Alliance US PSA and the SL US Purchase Agreement, the "**Agreements**"), EIPHI agreed to subscribe for an aggregate of 243,000 Class A Units of SL Canada ("**SL Canada Class A Units**") for the sum of \$243 million. Enbridge Pipelines Inc. will own all of the issued and outstanding Class B Units of SL Canada ("**SL Canada Class B Units**").

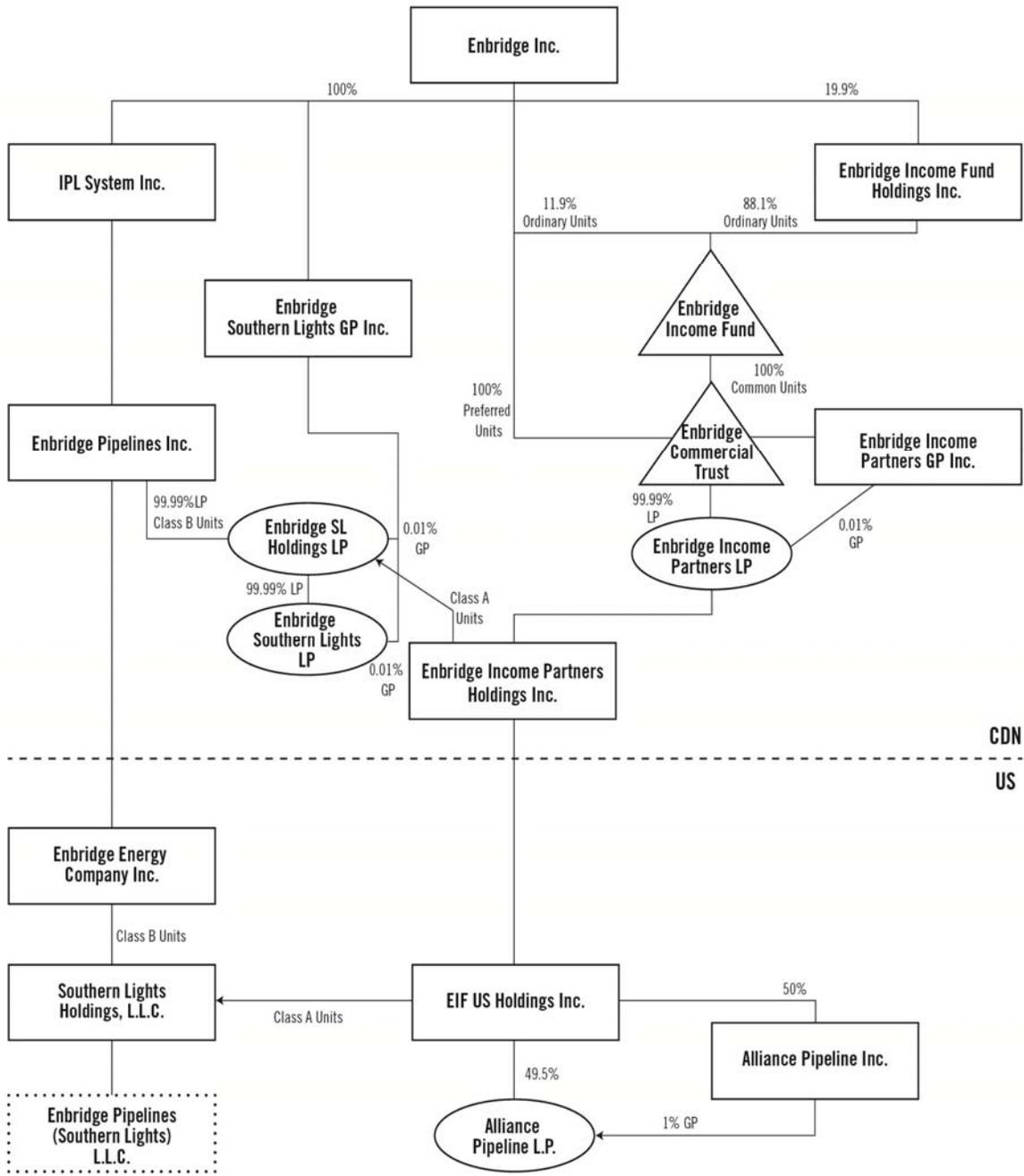
In connection with the Transaction, on October 10, 2014, EIFH completed a financing of an aggregate of 11,100,000 subscription receipts ("**EIFH Subscription Receipts**") at a price of \$30.35 per EIFH Subscription Receipt, for aggregate gross proceeds of \$336,885,000 (the "**EIFH Offering**"). The remaining steps of the Transaction are proposed to be effected as follows:

1. At the time the common shares of EIFH ("**EIFH Common Shares**") are issued for the 11,100,000 EIFH Subscription Receipts, EIFH will complete a private placement to Enbridge of 2,760,000 EIFH Common Shares at a price of \$30.35 per EIFH Common Share, for aggregate gross proceeds of \$83,766,000 (the "**EIFH Private Placement**")

2. EIFH will use the proceeds from the EIFH Offering and the EIFH Private Placement, in the aggregate amount of \$420,651,000, to purchase 13,860,000 additional ordinary trust units of the Fund (“**Fund Units**”) at a price of \$30.35 per Fund Unit.
3. Enbridge will lend \$878,029,000 to the Fund. The loan will have a 10 year maturity, accrue interest at the rate of 5.5% per annum with interest payable semi-annually on June 30 and December 31 of each year, be repayable at any time, from time to time, in whole or in part, without penalty or bonus and be unsecured and subordinate to all external debt issued by the Fund.
4. The Fund will use \$1,298,680,000 of the proceeds it receives pursuant to steps 2 and 3 above to purchase 42,790,115 trust units of ECT, designated as common units in the trust indenture establishing ECT, at a price of \$30.35 per unit.
5. Enbridge will purchase 15,200,000 trust units of ECT, designated as “Preferred Units” in the trust indenture establishing ECT, Series 5 at a price of \$30.35 per unit for the aggregate sum of \$461,320,000, with a redemption value of \$30.35 per unit and a maturity date of June 30, 2050.
6. ECT will use the funds it receives pursuant to steps 4 and 5 above to subscribe for additional units of EIPLP for the aggregate sum of \$1,759,824,000 and to subscribe for common shares of EIPGP for the aggregate sum of \$176,000.
7. EIPGP will use the \$176,000 it receives pursuant to step 6 to subscribe for units of EIPLP, such that it will maintain a 0.01% interest in EIPLP.
8. EIPLP will use the funds it receives pursuant to steps 6 and 7 above to subscribe for additional shares of EIPHI for the aggregate sum of \$880,000,000 and will loan EIPHI the principal sum of \$880,000,000. The loan will have a 10 year maturity, accrue interest at a commercial rate with interest payable semi-annually on June 30 and December 31 of each year, be repayable at any time, from time to time, in whole or in part, without penalty or bonus and be unsecured and subordinate to all external debt issued by EIPHI.
9. EIPHI will use a portion of the funds it receives pursuant to step 8 above to subscribe for SL Canada Class A Units for aggregate subscription proceeds of \$243,000,000 and will subscribe for additional common shares of EIF US for aggregate subscription proceeds equal to the US\$ equivalent of \$758,500,000 on the closing date of the Transaction (the “**Closing Date**”).
10. EIPHI will loan the remainder of the funds it receives pursuant to step 8, equal to the US\$ equivalent of the aggregate amount \$758,500,000 on the Closing Date, to EIF US. The loan will have a 10 year maturity, accrue interest at a commercial rate with interest payable semi-annually on June 30 and December 31 of each year, be repayable at any time, from time to time, in whole or in part, without penalty or bonus and be unsecured and subordinate to all external debt issued by EIF US.
11. EIF US will use the funds it receives pursuant to steps 9 and 10, in the aggregate amount of \$1,517,000,000, to acquire all of the Class A Units and Class B Units of APLP owned by IPL USA and all of the common shares of API owned by EUSI for the aggregate purchase price equal to the US\$ equivalent of \$835,000,000 on the Closing Date and to subscribe for SL US Class A Units for aggregate subscription proceeds of US\$620,000,000 (the equivalent of \$682,000,000).

Assuming the completion of the Transaction: (i) the Fund will have 79,851,000 issued and outstanding Fund Units, 70,351,000 (88.1%) of which will be owned by EIFH and 9,500,000 (11.9%) of which will be owned by Enbridge; and (ii) ECT will have 168,854,837 common units issued and outstanding, all of which will be owned by the Fund, and 87,665,750 issued and outstanding preferred units, all of which will be owned by Enbridge. If the preferred units of ECT are fully converted, Enbridge will own 58% of the issued and outstanding Fund Units. Enbridge currently holds a consolidated economic interest in the Fund, which includes Fund Units held both directly and indirectly through EIFH, of approximately 67.3%. Assuming the completion of the Transaction, Enbridge will hold a consolidated economic interest in the Fund of approximately 66.4%. Closing of the Transaction is subject to customary regulatory approvals. The Fund anticipates that the Transaction will be completed in November 2014.

The chart on the next page illustrates the structural relationships among the Fund, certain of its subsidiary entities and related parties, and Enbridge, assuming completion of the Transaction. Please refer to the AIF for the complete corporate structure of the Fund prior to completion of the Transaction.



CDN
US

 Denotes corporations
  Denotes partnerships
  Denotes Trust
 Denotes entity disregarded for tax purposes

USE OF PROCEEDS

The Notes will be issued from time to time at the discretion of the Fund with an aggregate offering amount not to exceed \$2,000,000,000 (or the equivalent in foreign currencies). The net proceeds to be received by the Fund from the sale from time to time of the Notes under this Prospectus as supplemented by a Prospectus Supplement or Pricing Supplement will be the aggregate offering amount thereof less any commission and other issuance costs paid in connection therewith. The net proceeds cannot be estimated as at the date hereof as the amount thereof will depend on the terms and conditions of the Notes and the extent to which the Notes are issued under this Prospectus as supplemented by a Prospectus Supplement or Pricing Supplement. Unless otherwise specified in the applicable Prospectus Supplement or Pricing Supplement, the net proceeds will be added to the general funds of the Fund and will be used by the Fund to re-finance indebtedness and for general business purposes, which may include reducing outstanding indebtedness and financing capital expenditures, investments and the working capital requirements of the Fund.

Pursuant to the Transaction, Enbridge will loan money to the Fund. A portion of the net proceeds to be received by the Fund from the sale from time to time of the Notes may be used either to partially finance the Transaction and/or repay such indebtedness. For further details on the indebtedness, the principal purposes for which certain of the proceeds of the indebtedness will be used and the nature of the relationship between the Fund and Enbridge, please see "*Recent Developments*". As at the date hereof, the Fund does not owe any monies to Enbridge and, after giving effect to the indebtedness incurred in connection with the Transaction, will owe an aggregate amount of \$878,029,000 to Enbridge.

The Fund's overall business strategy, strategy for each business segment and the major initiatives supporting its strategy for each of its business segments are summarized in its MD&A for the year ended December 31, 2013 and for the three and nine month periods ended September 30, 2014, as modified or superseded by information contained in filings for subsequent periods that are incorporated herein by reference.

PLAN OF DISTRIBUTION

Pursuant to the terms of a selling agency agreement (the "**Agency Agreement**") dated November 4, 2014 between the Fund and the Agents, the Agents are or will be authorized, as agents of the Fund for this purpose only, to solicit offers to purchase Notes, directly or through other Canadian investment dealers.

The Agency Agreement also provides that Notes may be purchased from time to time by any of the Agents as underwriter or principal, at a price to be agreed between the Fund and the Agent, for resale to other dealers or purchasers at prices to be negotiated with each such investment dealer or purchaser. Such resale prices may vary during the distribution period and as between purchasers. The Fund will pay to each Agent through whom any Note is sold a commission as determined in accordance with Schedule "A" of the Agency Agreement or such other commission as the Fund and the Agent may determine from time to time but which will not exceed 0.50% of the principal amount of any Note, unless the Fund and the Agent otherwise agree. The Agent's compensation will be increased or decreased by the amount by which the aggregate price paid for Notes by purchasers exceeds or is less than the aggregate price paid by the Agent, acting as underwriter or principal, to the Fund.

The Fund may also offer the Notes directly to purchasers, pursuant to applicable statutory exemptions or discretionary exemptions, at prices and upon terms negotiated between the purchaser and the Fund, in which case no commission will be paid to the Agents.

The Notes have not been and will not be registered under the *United States Securities Act of 1933*, as amended (the "**U.S. Securities Act**"), and may not be offered, sold or delivered in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the U.S. Securities Act).

In connection with any offering of Notes, the Agents may over-allot or effect transactions which stabilize or maintain the market price of the Notes offered at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

The Agents may purchase and sell Notes from time to time in the secondary market but are not obligated to do so. There can be no assurance that there will be a secondary market for the Notes. The offering price and other selling terms for such sales in the secondary market may, from time to time, be varied by the Agents.

The Fund and, if applicable, the Agents, reserve the right to reject any offer to purchase Notes in whole or in part. The Fund also reserves the right to withdraw, cancel or modify the offering of Notes hereunder without notice.

Under applicable securities legislation in Canada, the Fund may be considered to be a connected issuer of each of the Agents as each are directly or indirectly wholly-owned or majority owned subsidiaries of Canadian chartered banks or financial institutions (collectively, the “**Banks**”) which have extended credit facilities to the Fund upon which the Fund may draw from time to time. The Fund’s credit facilities with the Banks consist of a \$500 million syndicated three year standby revolving credit facility that can be extended by up to \$250 million of additional standby credit with the lenders’ consent and related borrowing arrangements. These credit facilities are unsecured and the Fund is, and has been since the establishment of the credit facilities, in compliance with the terms of the agreements governing the credit facilities. The Fund’s financial position has not adversely changed in any material manner since the credit facilities were put in place. The principal purpose of the credit facilities is to finance the Fund’s near-term growth capital expenditures; however, the Fund may incur additional indebtedness to the Banks under the credit facilities and net proceeds received pursuant to this offering may be used, directly or indirectly, to reduce that indebtedness. None of the Banks were involved in the decision to offer the Notes and none will be involved in the determination of the terms of the distribution of the Notes. As a consequence of the sale of the Notes through any Agent from time to time under this Prospectus, the Fund will pay a commission to each Agent through which a Note is sold.

EARNINGS COVERAGE RATIOS

The following earnings coverage ratios of the Fund are calculated on a consolidated basis for the 12-month periods ended September 30, 2014 and December 31, 2013 and are based on audited financial information, in the case of December 31, 2013, and unaudited financial information, in the case of September 30, 2014. Earnings coverage for the 12 month period ended December 31, 2013 gives *pro forma* effect to the issuance of 5,232,000 preferred units, series 4 of ECT, in February 2013. The following ratios (i) do not give effect to the issue of any Notes pursuant to this Prospectus, (ii) do not purport to be indicative of earnings coverage ratios for any future period, and (iii) have been calculated based on US GAAP.

	September 30, 2014	December 31, 2013
Earnings coverage of interest on total debt ⁽¹⁾⁽²⁾	1.16 times	0.93 times

Notes:

- (1) Earnings coverage of interest on total debt is calculated as earnings before taxes and interest expense divided by the sum of interest expense, capitalized interest and ECT preferred unit distributions.
- (2) The earnings coverage ratio of 0.93 for the 12 months ended December 31, 2013 has been calculated using a numerator of \$173.4 million. A numerator of \$187.3 million would have been required to achieve a ratio of one-to-one.

The Fund’s interest requirements for the 12 months ended December 31, 2013 amounted to approximately \$70.5 million and for the 12 months ended September 30, 2014 amounted to approximately \$68.1 million. The Fund’s distribution requirement on all of its preferred units, after giving effect to the issue of 5,232,000 preferred units, series 4 of ECT in February 2013 amounted to \$117.5 million and \$116.8 million for the twelve-month periods ended September 30, 2014 and December 31, 2013, respectively. Preferred unit distributions have not been adjusted to a before-tax equivalent as the issuer of the preferred units is a non-taxable entity. The Fund’s earnings before interest and income tax for the 12 months ended December 31, 2013 were approximately \$173.4 million, which is 0.93 times the Fund’s aggregate distribution and interest requirements for this period. The Fund’s earnings before interest and income tax for the 12 months ended September 30, 2014 were approximately \$215.8 million, which is 1.16 times the Fund’s aggregate distribution and interest requirements for this period.

The Fund evaluates its performance using a variety of measures. The earnings coverage discussed above is not defined under US GAAP and, therefore, should not be considered in isolation or as an alternative to, or more meaningful than, net earnings as determined in accordance with US GAAP as an indicator of the Fund’s financial performance or liquidity. This measure is not necessarily comparable to a similarly titled measure of another entity.

DESCRIPTION OF NOTES

The following description of the Notes is a summary of their material attributes and characteristics which does not purport to be complete. Certain of the capitalized terms used but not defined in this section have the meanings set out in Schedule A hereto. The terms and conditions set forth in this section will apply to each Note unless otherwise specified in the applicable Pricing Supplement or other Prospectus Supplement. For further particulars of the terms of the Notes, reference should be made to the Indenture (as defined below).

General

The Notes will be issued under a trust indenture dated November 29, 2004 and a First Supplemental Indenture dated December 21, 2011 (collectively, the “**Indenture**”), as amended and supplemented from time to time between the Fund and Computershare Trust Company of Canada (the “**Trustee**”), as trustee.

The Notes offered hereunder will be debentures of a single series under the Indenture. The Indenture permits the issuance thereunder from time to time of additional Notes of this series, and of debentures in one or more other series, without limitation as to aggregate principal amount. The Notes will be direct unsecured obligations of the Fund ranking equally and *pari passu*, except as to redemption, purchase fund, amortization fund and/or sinking fund provisions, with all other unsecured and unsubordinated indebtedness of the Fund.

The specific terms of any offering of Notes, including the aggregate principal amount offered, price to the public (at par, discount or a premium), currency, date(s) of issue, delivery and maturity, if interest-bearing, the interest rate (either fixed or floating and, if floating, the manner of calculation thereof) and interest payment date(s), redemption provisions (if redeemable), proceeds to the Fund, the Agent’s commission and the name of the registrar and paying agent, will be established at the time of the offering and sale of the Notes and set forth in a Pricing Supplement or other Prospectus Supplement which will accompany this Prospectus and any amendment hereto. The Fund may set forth in a Pricing Supplement or other Prospectus Supplement specific variable terms of the Notes which are not within the options and parameters set forth in this Prospectus. Notes will be interest bearing or non-interest bearing.

Term and Denomination

The Notes will have maturities of not less than one year from the date of issue, if interest-bearing, will bear interest at a fixed or floating rate and will be issuable in fully registered form in denominations of \$1,000 and integral multiples thereof with the minimum subscription being \$5,000, or in each case the approximate equivalent amount thereof in a foreign currency.

Fixed and Floating Rate Notes

An interest-bearing Note may be issued as a fixed rate Note (a “**Fixed Rate Note**”) or a floating rate Note (a “**Floating Rate Note**”) or as a Note that is a Fixed Rate Note for a portion of its term and a Floating Rate Note for a portion of its term, all as specified in the applicable Pricing Supplement or other Prospectus Supplement.

The Notes will bear interest, if any, from their date of issue or from the last interest payment date to which interest has been paid, whichever is later. Interest on Fixed Rate Notes will be payable quarterly, semi-annually, annually or as otherwise specified in the applicable Pricing Supplement or other Prospectus Supplement, on the interest payment dates specified in the Notes and in the applicable Pricing Supplement or other Prospectus Supplement and at maturity. Interest on Floating Rate Notes will be payable on the interest reset dates specified in the Note and in the applicable Pricing Supplement or other Prospectus Supplement and at maturity.

Unless otherwise provided for in the applicable Pricing Supplement or other Prospectus Supplement, any interest on Notes will be determined on an actual/actual day count basis pursuant to which the actual number of days in the applicable interest period is divided by 365 (or, if any portion of the interest period falls in a leap year, the sum of (i) the actual number of days in that portion of the interest period falling within a leap year divided by 366 and (ii) the actual number of days in that portion of the interest period falling within a non-leap year divided by 365).

Global Notes

Unless otherwise specified in the applicable Pricing Supplement or other Prospectus Supplement, all Notes denominated in Canadian or United States dollars will be represented in the form of fully registered global notes (a “**Global Note**”) held by, or on behalf of CDS Clearing and Depository Services Inc. or a successor (the “**Depository**”), as custodian of the Global Notes for its participants (“**Participants**”) and registered in the name of the Depository or its nominee. Except as described below, no purchaser of a Note will be entitled to a certificate or other instrument from the Fund or the Depository evidencing the purchaser’s ownership of the Note. Instead, the Notes will be represented only in book-entry form. Beneficial interests in the Global Notes, constituting ownership of the Notes, will be represented through book-entry accounts of institutions acting on behalf of beneficial owners, as direct and indirect participants of the Depository. Each purchaser of a Note represented by a Global Note will receive a customer confirmation of purchase from the registered dealer through whom the Note is purchased in accordance with the practices and procedures of that registered dealer. The practices of registered

dealers may vary but generally customer confirmations are issued promptly after execution of a customer order. The Depository will be responsible for establishing and maintaining book-entry accounts for its Participants having interests in Global Notes.

Currently, the Depository only allows depository eligibility for securities denominated in Canadian or United States dollars. Any Notes denominated in a currency other than Canadian or United States dollars will be represented by Notes in certificated form (“**Definitive Notes**”) until such time as the Depository allows depository eligibility for issues of securities denominated in such currencies.

If the Depository notifies the Fund that it is unwilling or unable to continue as depository in connection with the Global Notes, or if at any time the Depository ceases to be a clearing agency or otherwise ceases to be eligible to be a depository and the Fund and the Trustee are unable to locate a qualified successor or if the Fund elects to terminate the book-entry system, beneficial owners of Notes represented by Global Notes will receive Definitive Notes. Beneficial owners of Notes represented by Global Notes may also receive Definitive Notes if the Trustee gives notice pursuant to the Indenture that an event of default has occurred and is continuing with respect to the Notes. In addition, if provided in the applicable Pricing Supplement or other Prospectus Supplement, Notes may be issued in the form of Definitive Notes.

Payment of Interest and Principal

The Depository or its nominee, as the registered owner of a Global Note, will be considered the sole owner of such Note for the purposes of receiving payments of interest and principal on the Note and for all other purposes under the Indenture and the Note.

The Fund understands that the Depository or its nominee, upon receipt of any payment of interest or principal in respect of a Global Note, will credit Participants’ accounts on the date interest or principal is payable, with payments in amounts proportionate to their respective beneficial interests in the principal amount of such Global Note as shown on the records of the Depository or its nominee. The Fund also understands that payments of interest and principal by Participants to the owners of beneficial interests in such Global Note held through such Participants will be governed by standing instructions and customary practices. The responsibility and liability of the Fund in respect of Notes represented by a Global Note is limited to making payment of any interest and principal due on such Global Note to the Depository or its nominee in the currency and in the manner described in the Global Note.

Transfer of Notes

Transfers of beneficial ownership of Notes represented by Global Notes will be effected through records maintained by the Depository or its nominee (with respect to interests of Participants) and on the records of Participants (with respect to interests of persons other than Participants). Beneficial owners who are not participants in the Depository’s book-entry system, but who desire to purchase, sell or otherwise transfer ownership of or other interest in Global Notes may do so only through Participants.

The ability of a beneficial owner of an interest in a Note represented by a Global Note to pledge the Note or otherwise take action with respect to such owner’s interest in a Note represented by a Global Note (other than through a Participant) may be limited due to the lack of a physical certificate.

The registered holder of a Definitive Note may transfer or exchange such Note at the principal office of the Trustee or other registrar in Calgary, Alberta or at such other place or places as may from time to time be designated by the Fund with the approval of the Trustee. Definitive Notes may be exchanged for Notes (other than Notes represented by the Global Note) of the same or any other authorized form or denomination or denominations of the same aggregate principal amount of the Notes, bearing the same interest rate and having the same maturity date. Reasonable charges, including a sum sufficient to cover any tax or other governmental charge payable, may be imposed by the Trustee or other registrar in connection with the exchange or transfer of Notes.

Redemption and Purchase of Notes

Unless specifically provided for in the Pricing Supplement or other Prospectus Supplement, prior to maturity the Notes will not be redeemable by the Fund or repayable at the option of the holder. The Fund shall have the right when not in default under the Indenture to purchase the Notes of any series or tranche at any time in the market, by tender, or by private contract, unless such Notes by their terms are not so purchasable. Notes so redeemed or purchased by the Fund will be cancelled and may not be reissued.

Covenants

In addition to other covenants, the Indenture contains, with respect to the Notes issued thereunder, covenants substantially to the following effect:

Negative Covenant

So long as any Debentures, including the Notes, remain outstanding, the Fund will not and will not permit its Material Subsidiaries to create, incur, assume or permit to exist any security interest upon any part of their respective property or assets, whether now owned or hereinafter acquired, to secure any obligations, unless at the same time, or as soon as reasonably practicable thereafter, the Fund causes all the Debentures, including the Notes, then outstanding under the Indenture to be secured equally and rateably therewith (either by the same instrument or by other instrument) provided that this covenant will not apply to nor restrict:

- (a) the giving of security on inventory or accounts receivable to any bank or other lending institution or others to secure indebtedness incurred in the ordinary course of business for working capital purposes;
- (b) Permitted Encumbrances or the creation, incurrence, assumption or subsistence of Permitted Encumbrances;
- (c) additional non-material Security Interests disclosed to and accepted by the Trustee on or before the execution of the Indenture; or
- (d) the Fund or a Material Subsidiary extending, renewing, altering or replacing any security permitted under paragraphs (a), (b), or (c) above, provided that the principal amount of the obligations secured thereby is not increased to any amount greater than the sum of the principal amount thereof on the date of such extension, renewal, alteration or replacement, plus any amount necessary to pay any fees and expenses, including premiums related to such extension, renewal, alteration or replacement, the security does not extend to any additional property, and immediately after such extension, renewal, alteration or replacement, no Event of Default (or event which would, with notification or with the lapse of time or otherwise, constitute an Event of Default) would exist.

Events of Default

Each of the following events constitutes an “**Event of Default**” under the Indenture:

- (a) if the Fund makes default in payment of the principal or premium, if any, on any Debenture when the same becomes due under any provision of the Indenture or of such Debenture and such default continues for a period of 5 business days;
- (b) if the Fund makes default in payment of any interest due on any Debenture or on any sinking fund payment due under the Indenture and such default continues for 30 days;
- (c) if the Fund or any Material Subsidiary makes default in observing or performing any other covenant or condition contained in the Indenture, the Debentures or the Guarantees (as hereinafter defined), upon failure to make good such default within 90 days after written notice from the Trustee of such default is provided;
- (d) if the Fund or any Material Subsidiary makes default in payment at maturity or makes default in the performance or observance of any other covenant, term, agreement or condition with respect to any single item of Indebtedness in excess of 5% of Consolidated Net Tangible Assets or with respect to more than two items of Indebtedness in excess of 10% of Consolidated Net Tangible Assets and, if such Indebtedness has not already matured, such Indebtedness shall have been accelerated (provided that it is not an Event of Default if the relevant default is waived by the persons entitled to do so);
- (e) if an order is made or an effective resolution passed for the termination, winding up, liquidation or dissolution of the Fund or any Material Subsidiary except in the course of carrying out certain permitted

reorganizations, consolidations, dissolutions, arrangements, mergers, transfers, sales or other transactions and provided that such order or resolution continues unstayed or in effect for a period of 10 business days;

- (f) if the Fund or any Material Subsidiary makes a general assignment for the benefit of its creditors or otherwise acknowledges its insolvency or is declared bankrupt or makes an authorized assignment or proposal to its creditors under any bankruptcy or insolvency or analogous law or if a custodian or a receiver or receiver and manager is appointed in respect of the Fund or any Material Subsidiary or the property of the Fund or any Material Subsidiary or any part thereof which is a substantial part of the property of the Fund on a consolidated basis;
- (g) if an encumbrancer takes possession of the property of the Fund or any Material Subsidiary or any part thereof which is a substantial part of the property of the Fund on a consolidated basis, or if any process of execution is levied or enforced upon or against property of the Fund or any Material Subsidiary or any part thereof which is a substantial part of the property of the Fund on a consolidated basis; and
- (h) any further Events of Default specified by the Fund pursuant to any supplemental indenture.

If an Event of Default has occurred, the Trustee may in its discretion, and shall upon the written requisition of holders of at least 25% of the principal amount of Debentures then outstanding, by notice in writing to the Fund declare the principal, and interest, if any, of all Debentures then outstanding and other moneys due and payable under the Indenture to be due and payable and the same shall become immediately due and payable to the Trustee on demand, and the Fund shall on such demand forthwith pay to the Trustee for the benefit of the Debenture holders the principal of and accrued and unpaid interest and interest on amounts in default on such Debentures (and, where such declaration is based upon a voluntary winding-up or liquidation of the Fund, the premium, if any, on the Debentures then outstanding which would have been payable upon the redemption thereof by the Fund on the date of such declaration) and all other moneys secured by the Indenture, together with interest thereon at the rate applicable to the Debentures from the date of the declaration until payment is received by the Trustee.

The holders of not less than 66 $\frac{2}{3}$ % of the principal amount of Debentures then outstanding (or of a series in certain circumstances) shall have power by written requisition to instruct the Trustee to waive any default and/or to cancel any declaration made by the Trustee (as described above) and the Trustee shall waive the default and/or cancel such declaration upon terms and conditions as such Debenture holders shall prescribe. The Trustee, so long as it has not become bound to institute any proceedings under the Indenture, shall have power to waive the default if, in the Trustee's opinion, the same has been cured or adequate satisfaction made therefor, and in such event to cancel any such declaration made by the Trustee in the exercise of its discretion, upon such terms and conditions as the Trustee may deem advisable.

No holder of any Debenture shall have any right to institute any action or proceeding for payment of any principal or interest owing on any Debenture, or for the execution of any trust or power under the Indenture, or for the appointment of a liquidator, receiver or receiver and manager or to have the Fund wound up or terminated, or for any other remedy contained in the Indenture, unless (1) such holder shall previously have given to the Trustee written notice of the happening of an Event of Default under the Indenture, (2) the holders of at least 25% in principal amount of the Debentures shall have made written request to the Trustee and shall have afforded to it reasonable opportunities either itself to proceed to exercise the powers granted to it under the Indenture or to institute an action, suit or proceeding in its own name for such purpose, (3) such Debenture holders shall have offered to the Trustee, when so requested by the Trustee, sufficient funds and security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred as a consequence thereof, and (4) the Trustee shall have failed to act within a reasonable time after such notification, request and offer of indemnity.

Modifications

The rights of holders of Notes under the Indenture may be modified. For that purpose, among others, the Indenture contains provisions making binding upon all holders of Debentures, resolutions passed at meetings by the affirmative votes of holders of not less than 66 $\frac{2}{3}$ % of the principal amount of outstanding Debentures present or represented by proxy at such meeting or instruments in writing signed by holders of not less than 66 $\frac{2}{3}$ % of the principal amount of outstanding Debentures. In certain cases, modification will require separate assent by the holders of the required percentages of Debentures of each series or tranche outstanding under the Indenture. Reference is made to the Indenture for detailed provisions relating to voting and meetings of holders of Debentures.

Guarantees

The Fund's payment obligations under the Notes will be unconditionally guaranteed by the following of its subsidiary entities: ECT, EIPLP, EIPGP and EIPHI. ECT, EIPLP, EIPGP and EIPHI are collectively referred to as the "Guarantors".

Each of the Guarantors has unconditionally and irrevocably guaranteed (each a "Guarantee" or collectively, the "Guarantees") the payment when due of principal, premium (if any), interest and all other amounts payable by the Fund under the Notes. Each Guarantee is a direct and unsecured obligation of the relevant Guarantor and ranks *pari passu* with all other present and future unsecured and unsubordinated indebtedness of the Guarantor. The Guarantees are governed by the laws of the Province of Alberta.

The obligations of ECT under the Guarantee provided by ECT shall not be personally binding upon any trustee of ECT, the Administrator (in its capacity as manager of ECT) or any of the ECT unitholders and any recourse against ECT, any trustee of ECT, the Administrator (in its capacity as manager of ECT) or any ECT unitholder in any manner in respect of any indebtedness, obligation or liability of ECT arising under the Guarantee provided by ECT, if any, shall be limited to and satisfied only out of the assets of ECT.

The following tables set forth selected unaudited consolidated summary financial information for the Fund for the years ended December 31, 2013 and December 31, 2012 and the nine month periods ended September 30, 2014 and September 30, 2013, presented with a separate column for: (i) the Fund; (ii) the Guarantors on a combined basis; (iii) consolidating adjustments; and (iv) total consolidated amounts. This summary financial information should be read in conjunction with the Fund's unaudited consolidated interim financial statements for the three and nine month periods ended September 30, 2014 and September 30, 2013, which are incorporated by reference herein, and the audited consolidated financial statements for the years ended December 31, 2013 and December 31, 2012 prepared in accordance with US GAAP, which are available on SEDAR at www.sedar.com.

Selected Financial Information
As at and for the years ended December 31, 2013 and December 31, 2012
(unaudited; millions of dollars)

	The Fund		Guarantors ⁽¹⁾		Consolidating Adjustments ⁽²⁾		Total Consolidated Amounts	
	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012
Statement of Income Data								
Revenue	-	-	-	-	403.2	389.6	403.2	389.6
Net earnings (loss).....	79.8	89.7	909.9	648.2	(909.9)	(648.2)	79.8	89.7
Balance Sheet Data								
Current assets	458.0	621.7	742.5	399.2	(1,111.2)	(767.8)	89.3	253.1
Non-current assets	1,783.7	1,712.9	3,967.6	4,120.5	(3,083.8)	(3,086.1)	2,667.5	2,747.3
Current liabilities	315.0	21.9	1,106.8	984.3	(1,002.2)	(729.0)	419.6	277.2
Non-current liabilities	1,367.1	1,868.1	1,096.6	1,100.5	(686.2)	(690.1)	1,777.5	2,278.5

Notes:

- (1) This column accounts for investments in all non-credit supporter subsidiaries under the equity and cost investment methods, which consist of intercompany transactions and dividends. There are no non-credit supporter subsidiaries that are not subsidiaries of the Guarantors.
- (2) This column includes the necessary amounts to eliminate the intercompany balances between the Fund, the Guarantors and other subsidiaries and other adjustments to arrive at the information for the Fund on a consolidated basis.

Selected Financial Information
As at and for the nine-month periods ended September 30, 2014 and September 30, 2013
(unaudited; millions of dollars)

	The Fund		Guarantors ⁽¹⁾		Consolidating Adjustments ⁽²⁾		Total Consolidated Amounts	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
Statement of Income Data								
Revenue	-	-	-	-	313.7	299.5	313.7	299.5
Net earnings (loss).....	89.8	57.7	595.7	708.6	(595.7)	(708.6)	89.8	57.7
Balance Sheet Data								
Current assets	463.5	434.6	704.5	739.1	(1,022.3)	(1,059.2)	145.7	114.5
Non-current assets	1,673.7	1,823.6	5,939.5	3,995.3	(5,040.1)	(3,127.8)	2,573.1	2,691.1
Current liabilities	318.0	23.3	1,148.1	1,091.7	(988.9)	(952.9)	477.2	162.1
Non-current liabilities	1,351.6	1,648.9	3,095.7	1,096.3	(2,673.4)	(687.9)	1,773.9	2,057.3

Notes:

- (1) This column accounts for investments in all non-credit supporter subsidiaries under the equity and cost investment methods, which consist of intercompany transactions and dividends. There are no non-credit supporter subsidiaries that are not subsidiaries of the Guarantors.
- (2) This column includes the necessary amounts to eliminate the intercompany balances between the Fund, the Guarantors and other subsidiaries and other adjustments to arrive at the information for the Fund on a consolidated basis.

CREDIT RATINGS

The Fund's senior unsecured indebtedness currently has a rating of "BBB high" by DBRS Limited ("**DBRS**") and "Baa2" with a Stable outlook by Moody's Investors Service Inc. ("**Moody's**" and, together with DBRS, the "**Rating Agencies**"). These ratings are subject to change at any time at the sole discretion of the Rating Agencies. We expect that at the date of issuance of any Notes, such Notes will be assigned the same ratings by these Rating Agencies. Credit ratings are intended to provide investors with an independent measure of credit quality of an issue of securities. The Rating Agencies' ratings for debt instruments range from a high of "AAA" to a low of "D" for DBRS and in the case of Moody's, from a high of "Aaa" to a low of "C".

According to DBRS' rating system, debt securities rated BBB are characterized as "adequate credit quality" and this rating is the fourth highest of ten available rating categories. The capacity for the payment of financial obligations is considered acceptable. Long term obligations in the BBB category may be vulnerable to future events. The assignment of a "high" or "low" designation within each rating category indicates relative standing within such category. The absence of a "high" or "low" designation indicates the rating is in the "middle" of the category. The "high" and "low" grades are not used for the AAA and D categories.

According to Moody's rating system, debt securities rated "Baa" are considered as medium-grade obligations and subject to moderate credit risk and as such may possess certain speculative characteristics. Moody's applies numerical modifiers 1, 2 and 3 in each generic rating classification from Aa through Caa in its long-term corporate obligation rating system. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

Credit ratings are intended to provide investors with an independent measure of credit quality of an issue of securities. The credit ratings accorded to the Notes are not recommendations to purchase, hold or sell the Notes as such ratings do not comment as to market price or suitability for a particular investor. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be revised or withdrawn entirely by a Rating Agency in the future if, in its judgement, circumstances so warrant. The lowering of any rating of the Notes may negatively affect the quoted market price, if any, of the Notes. See "*Risk Factors*".

The Fund made payments to the Ratings Agencies in connection with the assignment of ratings on the long-term debt of the Fund and will make payments to the Ratings Agencies in connection with the confirmation of such ratings for purposes of this Prospectus or any offering of the Notes hereunder. Other than those payments made in respect of credit ratings, no additional payments have been made to any of the Rating Agencies for any other services provided to the Fund during the past two years.

RISK FACTORS

In addition to the risk factors set forth below, additional risk factors are discussed in the AIF and in the Fund's MD&A for the year ended December 31, 2013, which risk factors are incorporated herein by reference. Prospective purchasers of Notes should consider carefully the risk factors set forth below as well as other information contained in and incorporated by reference in this Prospectus, and in any applicable prospectus supplement before purchasing the Notes offered hereby.

Potential Undisclosed Liabilities Associated with the Transaction

In connection with the Transaction, there may be liabilities that the Fund or the subsidiaries of the Fund failed to discover or were unable to quantify in its due diligence, which it conducted prior to the execution of the Agreements, and the Fund and the subsidiaries of the Fund may not be indemnified for some or all of these liabilities. In addition, Enbridge has not certified that any disclosure in this Prospectus represents full, true and plain disclosure and that the disclosure does not contain a misrepresentation. Enbridge will have no liability to purchasers of Notes if the disclosure relating to the Transaction, or the terms of the Agreements contain a misrepresentation.

Possible Failure to Complete the Transaction

The Transaction is subject to normal commercial risks that the Transaction may not be completed on the terms negotiated, or at all. Although it is expected that all of the closing conditions pursuant to the Agreements will be satisfied, there is no certainty that such conditions will be satisfied or waived on a timely basis, or at all. If closing of the Transaction does not take place as contemplated, the Fund could suffer adverse consequences, including significant expenses relating to the Transaction and/or the loss of investor confidence.

Possible Failure to Realize Anticipated Benefits of the Transaction

The Fund believes that the Transaction will provide certain benefits to the Fund. However, there is a risk that some or all of the expected benefits of the Transaction may fail to materialize, or may not occur within the time periods anticipated by the Fund. The realization of such benefits may be affected by a number of factors including those disclosed in this Prospectus, many of which are beyond the control of the Fund.

Risks Related to the Assets

Operational Risk

Pipelines are subject to the customary hazards of the petroleum and natural gas transportation, storage and processing business. The operation of the Alliance System and Southern Lights Pipeline could be interrupted by apportionment on pipelines or curtailment of services of pipelines, failures of power infrastructure, equipment and information systems, the performance of equipment at levels below those originally intended (whether due to misuse, unexpected degradation, design errors, or construction or manufacturing defects), failure to maintain an adequate inventory of supplies or spare parts, operator error, labour disputes, disputes with owners of interconnected facilities and pipeline carriers and catastrophic events such as natural disasters, fires, explosions, chemical releases, acts of terrorists and saboteurs or other events beyond the Fund's control. Operational failures could also result in liability for damage to property, loss of crude oil or other product, damage to the environment and even loss of life. The occurrence or continuance of any of these events could have a material adverse effect on the Fund's business, financial condition, results of operations and cash flow. Although the cash flows payable on the SL Canada Class A Units and SL US Class A Units will not be impacted by Carrier Negligence (as defined in the transportation service agreements entered into with committed shippers with respect to the Southern Lights Pipeline (collectively, the "TSAs")), they are subject to shipper default, force majeure and regulatory risks which may impact the timing and/or the amounts payable on the SL Canada Class A Units and SL US Class A Units. Insurance may not be available to mitigate against such events and if available, the proceeds may not be sufficient or may be subject to certain conditions, including the priority of secured lenders and the obligation to rebuild or repair. Further, although the holder of the SL Canada Class B Units and SL US Class B Units is required in certain circumstances to contribute capital to ensure the payment on the SL Canada Class A Units and SL US Class A Units, there is no certainty that the holder of the SL Canada Class B Units and SL US Class B Units will do so or that Enbridge will be able or required to contribute pursuant to its guarantee.

TSA Expiry

The majority of the current TSAs on the Alliance System expire in December 2015. There is no certainty that the National Energy Board (the “NEB”) and/or the Federal Energy Regulatory Commission of the United States will approve the new tolls and tariffs proposed by the Alliance System or that the new tolls and tariffs will be acceptable to shippers. There is uncertainty whether the pipeline will be fully-contracted or that creditworthiness of the new shippers will be as strong as under the existing TSAs. API will manage credit risk through credit approval and monitoring procedures, however, there can be no assurance that API will adequately assess the creditworthiness, or that there will not be an unanticipated deterioration in the creditworthiness, of any shippers. Any material non-payment or non-performance by such shippers could have a material adverse effect on the business, financial condition, results of operations and cash flow of the Alliance System.

Competition

Post-2015, the Alliance System will face competition for pipeline transportation services from both existing and proposed pipeline projects or other methods of transportation, which may have greater access to natural gas markets or offer natural gas transportation services that are more desirable to shippers because of location, facilities or other factors. In addition, competitors could charge rates or provide transportation services to locations that result in greater net profit to shippers, with the effect of forcing the Alliance System to realize lower revenues and cash flows. The Alliance System may also face competition from new sources of natural gas, which could provide an alternate source of gas to markets presently serviced by western Canadian gas imports.

Environmental and Health and Safety Regulations

The Fund is subject to the risk of incurring substantial costs and liabilities under environmental, health and safety laws applicable to Alliance US. Environmental legislation imposes restrictions, liabilities and obligations in connection with the generation, handling, storage, transportation, treatment and disposal of hazardous substances and waste and in connection with noise, spills, releases and emissions of various substances into the environment. Environmental laws also mandate that pipelines, tanks, turbines, installations, facilities and other properties associated with Alliance US will be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Failure to comply with environmental, health and safety laws may result in the assessment of administrative, civil and criminal penalties, liens, the imposition of remedial obligations such as cleanup and site restoration requirements, the revocation or suspension of operating permits and the issuance of orders to limit or cease operations.

Regulatory Regime

The operation of pipelines is subject to extensive regulation by various government departments and regulatory agencies, including environmental and safety standards and regulations. As legal requirements may change, any new law or regulation or changes to existing laws could require additional expenditures to achieve or maintain compliance. The profitability of the Assets will in part be dependent upon the continuation of a favourable regulatory framework. Any changes in the regulatory framework which adversely affects the Assets, including increases in taxes, permit fees or regulatory requirements may adversely affect the cash available for distribution by the Fund. The failure to operate the Alliance System and Southern Lights Pipeline in strict compliance with applicable regulations and standards may expose the facilities to claims, penalties, remediation and cleanup costs, suspension or revocation of operating permits or termination of TSAs or other agreements.

Governmental Permits

The operators of the Alliance System and Southern Lights Pipeline are required to comply with numerous federal, provincial and local laws and regulations and to maintain and comply with numerous regulatory licenses, permits and governmental approvals required for the maintenance and operation of the respective pipelines. Many of the regulatory permits that have been issued in respect of the respective pipelines contain terms, conditions and restrictions, or may have limited terms. A failure to satisfy the terms and conditions or comply with the restrictions imposed under regulatory permits or the restrictions imposed by any statutory or regulatory requirements, may result in regulatory enforcement action, which could adversely affect continued operations, or result in fines, penalties or additional costs, including requirements to suspend or cease operations.

Foreign exchange risk

The Fund's earnings, cash flows and other comprehensive income will be subject to foreign exchange rate variability, primarily arising from its United States dollar denominated investments in Alliance US and the SL US Class A Units. The investments in and cash flows arising from Alliance US and the SL US Class A Units are denominated in U.S. dollars and the functional currency of the Fund is Canadian dollars. Variability in the exchange rate between U.S. and Canadian dollars may affect the earnings, cash flow and asset values of the Fund adversely such that anticipated levels of profitability and cash flow may not be achieved. Although the Fund may enter into hedging transactions to manage foreign exchange risks, there is no certainty that such transactions will be effective and if they are not effective, may cause additional losses.

Risks Related to the Notes

Lack of Public Market for the Notes

This Prospectus qualifies new issues of Notes for which there is no existing trading market. The Fund does not intend to list the Notes on any securities exchange or to arrange for a quotation of the Notes on any quotation system. There can be no assurance as to the liquidity of any trading market for the Notes or that a trading market for any of the Notes will develop. Even if a trading market develops for the Notes, the Notes could trade at prices that may be higher or lower than their initial offering prices. The market price for the Notes may be affected by prevailing interest rates, the Fund's results of operations and financial position, the ratings assigned to the Notes or the Fund, changes in general market conditions, fluctuations in the market for equity or debt securities and numerous other factors beyond the control of the Fund.

Credit Ratings

Credit ratings are intended to provide investors with an independent measure of credit quality of an issue of securities. The credit ratings accorded to the Notes are not a recommendation to purchase, hold or sell the Notes, because ratings do not comment as to market price or suitability for a particular investor. There is no assurance that these ratings will remain in effect for any given period of time or that these ratings will not be revised or withdrawn entirely in the future by the relevant rating agency. Real or anticipated changes in credit ratings on the Notes may affect the market value of the Notes. In addition, real or anticipated changes in credit ratings can affect the cost at which the Fund can access the debt market.

Interest Rate Risks

Prevailing interest rates will affect the market price or value of the Notes. The market price or value of the Notes will decline as prevailing interest rates for comparable debt instruments rise and increase as prevailing interest rates for comparable debt instruments decline.

Ranking of the Notes

The Notes will not be secured by any assets of the Fund. Therefore, holders of secured indebtedness of the Fund would have a claim on the assets securing such indebtedness that effectively ranks prior to the claim of holders of the Notes and would have a claim that ranks equal with the claim of holders of Notes to the extent that such security did not satisfy the secured indebtedness. Furthermore, although covenants given by the Fund in various agreements, including the Indenture, restrict incurring secured indebtedness, such indebtedness may, subject to certain conditions, be incurred.

No Recourse

The obligations of the Fund under the Indenture shall not be personally binding upon any of the unitholders of the Fund, any trustee of the Fund, the Administrator or any of its shareholders, officers or directors, or any trustee of ECT and any recourse against the Fund or any of these other parties in any manner in respect of any indebtedness, obligation or liability of the Fund arising under the Indenture, if any, shall be limited to and satisfied only out of the assets of the Fund.

Foreign Currency Risks

An investment in Notes that are denominated or payable in currency other than Canadian dollars entails significant risks that are not associated with a similar investment in a security denominated in Canadian dollars. Such risks include, without limitation, the possibility of significant changes in rates of exchange between the Canadian dollar and the applicable foreign currency unit, the possibility of the imposition or modification of foreign exchange controls by either the Canadian or foreign

governments and potential illiquidity in the secondary market. These risks will vary depending upon the currency or currencies involved and where appropriate, will be more fully described in a Prospectus Supplement or Pricing Supplement.

This Prospectus does not describe all the risks of an investment in the Notes denominated or payable other than in Canadian dollars and prospective investors should consult their own financial and legal advisor as to the risk entailed with respect thereto. Notes denominated in other than Canadian dollars are not appropriate investments for investors who are unfamiliar with foreign currency transactions.

The Notes will be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein. A judgment by a Canadian court relating to any Notes may be awarded only in Canadian currency and such judgment may be based on a rate of exchange in existence on a day other than the day of payment.

ELIGIBILITY FOR INVESTMENT

In the opinion of McCarthy Tétrault LLP, as counsel to the Fund and Dentons Canada LLP, as counsel to the Agents, the Notes, if acquired on the date hereof, will be qualified investments on such date under the *Income Tax Act* (Canada) (the “**Tax Act**”) and the regulations thereunder for a trust governed by a registered retirement savings plan (“**RRSP**”), registered retirement income fund (“**RRIF**”), registered education savings plan, deferred profit sharing plan (other than a trust governed by a deferred profit sharing plan for which the employer is the Fund or an entity which does not deal at arm’s length with the Fund), registered disability savings plan or tax-free savings account (“**TFSA**”) provided that, at that time, the Notes have an investment grade rating from a prescribed rating agency as contemplated under “*Credit Ratings*” above and provided that, at that time, the Notes are issued as part of a single issue of debt of at least \$25 million or, if the Notes are issued under a debt issuance program under which debt obligations are issued on a continuous basis, the Fund has issued and outstanding debt under the program of at least \$25 million.

Notwithstanding that the Notes may be a qualified investment for a trust governed by a RRSP, RRIF or TFSA, the annuitant of a RRSP or RRIF or the holder of a TFSA, as the case may be, will be subject to a penalty tax on such Notes held in the RRSP, RRIF or TFSA if such Notes are a “prohibited investment” within the meaning of the Tax Act. The Notes will generally be a “prohibited investment” if the annuitant of the RRSP or RRIF or the holder of the TFSA does not deal at arm’s length with the Fund for the purposes of the Tax Act or the annuitant of the RRSP or RRIF or the holder of the TFSA has a “significant interest”, within the meaning of the Tax Act, in the Fund. Annuitants of a RRSP or RRIF or a holder of a TFSA should consult with their own tax advisors as to whether the Notes will be prohibited investments in their particular circumstances.

LEGAL MATTERS

Certain legal matters in connection with the issuance of the Notes will be passed upon on behalf of the Fund by McCarthy Tétrault LLP and on behalf of the Agents by Dentons Canada LLP. Each of the partners and associates of McCarthy Tétrault LLP as a group, and the partners and associates of Dentons Canada LLP as a group, beneficially own, directly or indirectly, not more than 1% of the outstanding securities of each class of the Fund.

PURCHASERS’ STATUTORY RIGHTS

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus, the accompanying prospectus supplement or pricing supplement relating to the securities purchased by a purchaser and any amendment thereto. In several of the provinces, securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus, the accompanying prospectus supplement or pricing supplement relating to the securities purchased by a purchaser and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that such remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province of residence. The purchaser should refer to any applicable provisions of the securities legislation of their province of residence for the particulars of these rights or consult with a legal adviser.

CERTIFICATE OF THE FUND

November 4, 2014

This short form prospectus, together with the documents incorporated in this prospectus by reference, will, as of the date of the last supplement to this prospectus relating to the securities offered by this prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement(s) as required by the securities legislation of each of the provinces of Canada.

ENBRIDGE INCOME FUND

By: Enbridge Management Services Inc.
Administrator of the Fund

By: (signed) "*Perry F. Schuldhaus*"
President
(as Chief Executive Officer)

By: (signed) "*Colin K. Gruending*"
Chief Financial Officer

On behalf of the Board of Directors

By: (signed) "*J. Richard Bird*"
Director

By: (signed) "*D. Guy Jarvis*"
Director

CERTIFICATE OF THE GUARANTORS

November 4, 2014

This short form prospectus, together with the documents incorporated in this prospectus by reference, will, as of the date of the last supplement to this prospectus relating to the securities offered by this prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement(s) as required by the securities legislation of each of the provinces of Canada.

ENBRIDGE COMMERCIAL TRUST

By: Enbridge Management Services Inc.
Manager of the Trust

By: (signed) "*Perry F. Schuldhaus*"
President
(as Chief Executive Officer)

By: (signed) "*Colin K. Gruending*"
Chief Financial Officer

On behalf of the Board of Directors

By: (signed) "*J. Richard Bird*"
Director

By: (signed) "*D. Guy Jarvis*"
Director

ENBRIDGE INCOME PARTNERS LP

By: Enbridge Income Partners GP Inc.
General Partner of the Partnership

By: (signed) "*Perry F. Schuldhaus*"
President
(as Chief Executive Officer)

By: (signed) "*Colin K. Gruending*"
Chief Financial Officer

On behalf of the Board of Directors

By: (signed) "*John K. Whelen*"
Director

By: (signed) "*D. Guy Jarvis*"
Director

ENBRIDGE INCOME PARTNERS GP INC.

By: (signed) "*Perry F. Schuldhaus*"
President
(as Chief Executive Officer)

By: (signed) "*Colin K. Gruending*"
Chief Financial Officer

On behalf of the Board of Directors

By: (signed) "*John K. Whelen*"
Director

By: (signed) "*D. Guy Jarvis*"
Director

ENBRIDGE INCOME PARTNERS HOLDINGS INC.

By: (signed) "*Perry F. Schuldhaus*"
President
(as Chief Executive Officer)

By: (signed) "*Colin K. Gruending*"
Chief Financial Officer

On behalf of the Board of Directors

By: (signed) "*John K. Whelen*"
Director

By: (signed) "*D. Guy Jarvis*"
Director

CERTIFICATE OF THE AGENTS

November 4, 2014

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated in this prospectus by reference will, as of the date of the last supplement to this prospectus relating to the securities offered by this prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement(s) as required by the securities legislation of each of the provinces of Canada.

BMO Nesbitt Burns Inc.

By: (signed) "*Aaron Engen*"

CIBC World Markets Inc.

By: (signed) "*Sean Gilbert*"

HSBC Securities (Canada) Inc.

By: (signed) "*David Loh*"

National Bank Financial Inc.

By: (signed) "*Tushar Kittur*"

RBC Dominion Securities Inc.

By: (signed) "*James Wetmore*"

Scotia Capital Inc.

By: (signed) "*Murray Neal*"

TD Securities Inc.

By: (signed) "*Andrew Becker*"

SCHEDULE A DEFINITIONS

The Indenture contains various definitions, including definitions substantially to the following effect:

“**Alliance Canada**” means Alliance Pipeline Limited Partnership, an Alberta limited partnership which owns the Alliance Canada Pipeline, and its successors and assigns.

“**Alliance Canada Pipeline**” means the Canadian portion of the Alliance System.

“**Alliance GP**” means Alliance Pipeline Ltd., a corporation continued under the laws of Canada, which is the general partner of Alliance Canada, and its successors and assigns.

“**Alliance System**” means the approximately 3,000 kilometre integrated, high-pressure, natural gas mainline pipeline extending from Gordondale, Alberta to delivery points near Chicago, Illinois, a series of lateral pipelines located in supply areas in north-western Alberta and north-eastern British Columbia, and related infrastructure.

“**Consolidated Net Tangible Assets**” means the consolidated assets of the Fund as shown on the most recent consolidated balance sheet of the Fund, less the aggregate of the following amounts reflected upon such balance sheet:

- (a) all goodwill, deferred assets, trademarks, copyrights and other similar intangible assets;
- (b) to the extent not already deducted in computing such assets and without duplication, depreciation, depletion, amortization, reserves and any other account which reflects a decrease in the value of an asset or a periodic allocation of the cost of an asset; provided that no deduction shall be made under this paragraph (b) to the extent that such account reflects a decrease in value or periodic allocation of the cost of any asset referred to in paragraph (a) above; and
- (c) minority interests.

“**Debentures**” means debentures, notes or other indebtedness of the Fund issued and certified under the Indenture including, without limitation, the Notes.

“**Financial Instrument Obligations**” means obligations arising under:

- (a) any interest swap agreement, forward rate agreement, floor, cap or collar agreement, futures or options, insurance or other similar agreement or arrangement, or any combination thereof, entered into or guaranteed by the Fund or any Subsidiary where the subject matter of the same is interest rates or the price, value, or amount payable thereunder is dependent or based upon the interest rates or fluctuations in interest rates in effect from time to time (but, for certainty, shall exclude conventional floating rate debt);
- (b) any currency swap agreement, cross-currency agreement, forward agreement, floor, cap or collar agreement, futures or options insurance or other similar agreement or arrangement, or any combination thereof, entered into or guaranteed by the Fund or any Subsidiary where the subject matter of the same is currency exchange rates or the price, value or amount payable thereunder is dependent or based upon currency exchange rates or fluctuations in currency exchange rates as in effect from time to time; and
- (c) any agreement for the making or taking of Petroleum Substances, any commodity swap agreement, floor, cap or collar agreement or commodity future or option or other similar agreements or arrangements, or any combination thereof, entered into or guaranteed by the Fund or any Subsidiary where the subject matter of the same is Petroleum Substances or the price, value or amount payable thereunder is dependent or based upon the price of Petroleum Substances or fluctuations in the price of Petroleum Substances;

to the extent of the net amount due or accruing due by the Fund or Subsidiary thereunder (determined by marking-to-market the same in accordance with their terms).

“**General Partner**” means Enbridge Income Partners GP Inc., a corporation incorporated under the laws of Canada.

“**Indebtedness**” means all items of indebtedness in respect of any amounts borrowed and all Purchase Money Obligations which, in accordance with generally accepted accounting principles, would be recorded in the financial statements as at the date as of which Indebtedness is to be determined, and in any event including, without duplication:

- (a) obligations secured by any Security Interest existing on property owned subject to such Security Interest, whether or not the obligations secured thereby shall have been assumed; and
- (b) guarantees, indemnities, endorsements (other than endorsements for collection in the ordinary course of business) or other contingent liabilities in respect of obligations of another person for indebtedness of that other person in respect of any amounts borrowed by them.

For greater certainty, any Indebtedness of the Fund and its Subsidiaries shall not include any Indebtedness owing by Alliance Canada or Alliance GP to any person.

“Material Subsidiary” means:

- (a) Enbridge Commercial Trust;
- (b) Enbridge Income Partners LP;
- (c) Enbridge Income Partners Holdings Inc.; and
- (d) any other Subsidiary that holds, directly or indirectly, any partnership interest in Alliance Canada.

“Non-Recourse Debt” means any Indebtedness incurred to finance the creation, development, construction or acquisition of assets and any increases in or extensions, renewals or refundings of any such Indebtedness, provided that the recourse of the lender thereof or any agent, trustee, receiver or other person acting on behalf of the lender in respect of such Indebtedness or any judgment in respect thereof is limited in all circumstances (other than in respect of false or misleading representations or warranties and customary indemnities provided with respect to such financings) to the assets created, developed, constructed or acquired (and, for certainty, shall include the shares or other ownership interests of a single purpose entity which holds only such assets and other rights and collateral arising from or connected therewith) in respect of which such Indebtedness has been incurred and to any receivables, inventory, equipment, chattel paper, intangibles and other rights or collateral connected with the assets created, developed, constructed or acquired and to which the lender has recourse.

“Permitted Encumbrance” means any of the following:

- (a) any Security Interest existing as of the date of the first issuance by the Fund of Debentures issued pursuant to the Indenture, or arising thereafter pursuant to contractual commitments entered into prior to such issuance;
- (b) any Security Interest created, incurred or assumed to secure any Purchase Money Obligation;
- (c) any Security Interest created, incurred or assumed to secure any Non-Recourse Debt;
- (d) any Security Interest in favour of the Fund or any Subsidiary;
- (e) any Security Interest on property of a person which Security Interest exists at the time such person is merged into or consolidated with, the Fund or any Material Subsidiary or such property is otherwise acquired by or becomes the property of the Fund or any Material Subsidiary;
- (f) any Security Interest securing any Indebtedness to any bank or banks or other lending institution or institutions incurred in the ordinary course of business and for the purpose of carrying on the same, repayable on demand or maturing within 18 months of the date when such Indebtedness is incurred or the date of any renewal or extension thereof;
- (g) any Security Interest created pursuant to the Credit Agreement dated as of June 30, 2003 among the Partnership, the General Partner, the financial institutions party thereto as lenders and the Bank of Montreal as agent for and on behalf of such lenders (as such credit agreement may be amended, restated, supplemented, replaced or modified from time to time, including by a credit agreement pursuant to which the Fund shall be the borrower);
- (h) any Security Interest on or against cash or marketable debt securities pledged to secure Financial Instrument Obligations;
- (i) any Security Interest in respect of:
 - (i) liens for taxes and assessments not at the time overdue or any liens securing workmen’s compensation assessments, unemployment insurance or other social security obligations; provided, however, that if any such liens, duties or assessments are then overdue the Fund or

- relevant Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such obligations,
- (ii) any liens for specified taxes and assessments which are overdue but the validity of which is being contested at the time by the Fund or relevant Material Subsidiary in good faith,
 - (iii) any liens or rights of distress reserved in or exercisable under any lease for rent and for compliance with the terms of such lease,
 - (iv) any obligations or duties, affecting the property of the Fund or any Material Subsidiary to any municipality or governmental, statutory or public authority, with respect to any franchise, grant, licence or permit and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the Fund or any Material Subsidiary under government permits, leases or other grants, which obligations, duties and defects in the aggregate do not materially impair the use of such property, structures or facilities for the purpose for which they are held by the Fund or relevant Material Subsidiary,
 - (v) any deposits or liens in connection with contracts, bids, tenders or expropriation proceedings, surety or appeal bonds, costs of litigation when required by law, public and statutory obligations, liens or claims incidental to current construction, builders', mechanics', labourers', materialmen's, warehousemen's, carriers' and other similar liens,
 - (vi) the right reserved to or vested in any municipality or governmental or other public authority by any statutory provision or by the terms of any lease, license, franchise, grant or permit, that affects any land, to terminate any such lease, license, franchise, grant or permit or to require annual or other periodic payments as a condition to the continuance thereof,
 - (vii) any undetermined or inchoate liens and charges incidental to the current operations of the Fund or any Material Subsidiary that have not at the time been filed against the Fund or any Material Subsidiary; provided, however, that if any such lien or charge shall have been filed, the Fund or relevant Material Subsidiary shall be prosecuting an appeal or proceedings for review with respect to which it shall have secured a stay in the enforcement of any such lien or charge,
 - (viii) the validity of which is being contested at the time by the Fund or relevant Material Subsidiary in good faith or payment of which has been provided for by deposit with the Trustee of an amount in cash sufficient to pay the same in full,
 - (ix) any easements, rights-of-way and servitudes (including, without in any way limiting the generality of the foregoing, easements, rights-of-way and servitudes for pipelines, railways, sewers, dykes, drains, gas and water mains or electric light and power or telephone and telegraph conduits, poles, wires and cables) that in the opinion of the Fund or relevant Material Subsidiary will not in the aggregate materially and adversely impair the use or value of the land concerned for the purpose for which it is held by the Fund or such Material Subsidiary,
 - (x) any security to a public utility or any municipality or governmental or other public authority when required by such utility or other authority in connection with the operations of the Fund or any Material Subsidiary,
 - (xi) any liens and privileges arising out of judgments or awards with respect to which the Fund or relevant Material Subsidiary shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review, and
 - (xii) any other liens of a nature similar to the foregoing which do not in the opinion of the Fund or relevant Material Subsidiary materially impair the use of the property subject thereto or the operation of the business of the Fund or relevant Material Subsidiary or the value of such property for the purpose of such business;
- (j) any extension, renewal, alteration or replacement (or successive extensions, renewals, alterations or replacements) in whole or in part, of any Security Interest referred to in the foregoing clauses (a) through (i) inclusive, provided the extension, renewal, alteration or replacement of such Security Interest is limited to all or any part of the same property that secured the Security Interest extended, renewed, altered or replaced (plus improvements on such property) and the principal amount is not increased to any amount

greater than the sum of the principal amount of the Indebtedness secured thereby plus any amount necessary to pay any fees and expenses, including premiums, related to such extension, renewal, alteration or replacement; and

- (k) any other Security Interest if the aggregate principal amount of obligations secured pursuant to this clause (k) does not exceed 10% of Consolidated Net Tangible Assets.

“Petroleum Substances” means crude oil, crude bitumen, synthetic crude oil, petroleum, natural gas, natural gas liquids, related hydrocarbons and any and all other substances, whether liquid, solid or gaseous, whether hydrocarbons or not, produced or producible in association with any of the foregoing, including hydrogen sulphide and sulphur.

“Purchase Money Obligation” means any monetary obligation created or assumed as part of the purchase price of real or tangible personal property, whether or not secured, any extensions, renewals or refundings of any such obligation, provided that the principal amount of such obligation outstanding on the date of such extension, renewal or refunding is not increased to any amount greater than the sum of the principal amount of the Indebtedness secured thereby plus any amount necessary to pay any fees and expenses, including premiums, related to such extension, renewal, alteration or replacement and further provided that any security given in respect of such obligation shall not extend to any property other than the property acquired in connection with which such obligation was created or assumed and fixed improvements, if any, erected or constructed thereon.

“Security Interest” means any security by way of an assignment, mortgage, charge, pledge, lien, encumbrance, title retention agreement or other security interest whatsoever, howsoever created or arising, whether absolute or contingent, fixed or floating, perfected or not.

“Subsidiary” means, with respect to any person (“X”):

- (a) any corporation of which at least a majority of the outstanding shares having by the terms thereof ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether at the time shares of any other class or classes of such corporation might have voting power by reason of the happening of any contingency, unless the contingency has occurred and then only for as long as it continues) is at the time directly, indirectly or beneficially owned or controlled by X or one or more of its Subsidiaries, or X and one or more of its Subsidiaries;
- (b) any partnership of which, at the time, X, or one or more of its Subsidiaries, or X and one or more of its Subsidiaries: (i) directly, indirectly or beneficially own or control more than 50% of the income, capital, beneficial or ownership interests (however designated) thereof; and (ii) is a general partner, in the case of limited partnerships, or is a partner or has authority to bind the partnership, in all other cases; or
- (c) any other person of which at least a majority of the income, capital, beneficial or ownership interests (however designated) are at the time directly, indirectly or beneficially owned or controlled by X, or one or more of its Subsidiaries, or X and one or more of its Subsidiaries.